

MINUTES
Council on Postsecondary Education
November 4, 2002

The Council on Postsecondary Education met November 4, 2002, at 8:30 a.m. at the council offices in Frankfort, Kentucky. Chair Adams presided.

ROLL CALL

The following members were present: Norma Adams, Walter Baker, Steve Barger, Peggy Bertelsman, Bart Darrell, Richard Freed, Susan Guess, John Hall, Esther Jansing, Joan Taylor, Charles Whitehead, and Gene Wilhoit. Ron Greenberg, Charlie Owen, Chris Pace, and Lois Combs Weinberg did not attend.

**APPROVAL OF
MINUTES**

The minutes of the September meeting were approved as distributed.

**SHOWCASING
REFORM:
MuSU/KCTCS/KYVU
COLLABORATION**

The meeting began with a special presentation "showcasing reform," a collaborative arrangement with Murray State University, the Kentucky Community and Technical College System, and the Kentucky Virtual University. A transfer agreement has been established between the associate in applied science degree in information technology offered by the KCTCS and the bachelor of science degree in telecommunications systems management, Murray State University's program of distinction. The KYVU is a partner in the agreement, promoting easy transfer through online course offerings. Several upper division courses will be available through the KYVU in spring 2003, and all 20 courses in Murray's program will be available by August 2004.

Daniel Rabuzzi, KYVU CEO, said that this initiative supports three of the council's reform priorities: to facilitate transfer, to meet the workforce needs of the new economy, and to provide access to anytime, anyplace education throughout Kentucky.

MuSU President King Alexander said that through this arrangement his institution, in conjunction with other higher education institutions in the state and private industry, can collaboratively expand to address the

economic and social needs of Kentucky.

Keith Bird, KCTCS chancellor, said that the partnership fulfills several strategic objectives of the KCTCS: to enhance information technology education, to expand access to distance learning, and to increase the number of KCTCS students who transfer to four-year colleges and universities.

IEG UPDATE

Sue Hodges Moore, interim council president, reported that the Oversight Committee of the Institute for Effective Governance met in October to debrief on the trusteeship conference and discuss next steps. The overall response to the conference and the five-year celebration of reform was overwhelmingly positive. During the conference, board members were asked to complete a survey about potential seminar topics. Topics of greatest interest are enrollment management, presidential evaluation/compensation, strategic planning/accountability, and Bucks for Brains and programs of distinction. The board chairs and vice chairs will be contacted for feedback on topics for a statewide seminar and those specific to an institution.

The IEG Oversight Committee discussed new member orientation and several possibilities will be discussed with the presidents and board members. The committee suggested that a CPE newsletter be developed to point out accomplishments, public policy issues, new board member appointments, calendar of upcoming events, and other items of interest. Eventually, an IEG Web site will be developed.

KSU COMPREHENSIVE ASSESSMENT

The council and the Kentucky State University board of regents established a committee to oversee the comprehensive assessment of KSU. The committee met in October to evaluate proposals submitted by prospective consultants. Four firms will make presentations and it is expected that the committee will choose a consultant from this group.

2004-06 BUDGET PROCESS

Dr. Moore said that the council and institutional staffs have begun discussions about the 2004-06 budget development process. The presidents have been asked to suggest revisions to the 2002-04 Points of Consensus

document. Their suggestions will be discussed at the November 12 meeting of the Chief Budget Officers. The council staff will provide a status report on the budget development process at the November 18 meeting of the Strategic Committee on Postsecondary Education. The staff will work with the council finance issue leaders over the coming months and a status report and discussion item will be brought to the February council meeting.

MEASURING UP 2002

In October the National Center for Public Policy and Higher Education released *Measuring Up 2002*, the state-by-state report card on higher education. The report highlights Kentucky's performance as well as the performance of the other 49 states in five graded categories – preparation, participation, affordability, completion, and benefits. The report features Kentucky's efforts to assess student learning. Kentucky is one of only two states in the nation to show progress in all five categories of the report card.

Dr. Christina Whitfield with the council staff presented the highlights of the 2002 report card.

Ms. Bertelsman said that there are a number of P-16 issues.

Mr. Wilhoit discussed efforts to encourage high school students to take upper-level courses to better prepare themselves for postsecondary education. Not enough Kentucky families think about postsecondary education, and many high school students delay decisions to enter college so they are not prepared. Mr. Wilhoit also said there is concern about ACT results.

UK President Lee Todd asked if there is data showing that high school students take lower-level courses in order to earn better grades and thus earn more dollars through the Kentucky Educational Excellence Scholarship program. Mr. Wilhoit said that his department is monitoring courses taken and grade inflation issues and can provide this information.

Dr. Joe McCormick, executive director of the Kentucky Higher Education Assistance Authority, said that the KHEAA and the council staffs are working together to identify pertinent research questions regarding KEES and

the need-based programs. He said that the history of need-based funding prior to KEES is very low. Since the KEES program began, funding of need-based programs has spiked. One could say that because of funding KEES, there have been increases in funding for the need-based programs. He said there a need for both merit and need-based programs, but the funding priority should be need-based. Dr. McCormick added that there are two important differences in the Kentucky KEES program compared to merit-based programs in other states: no application is required so all eligible students automatically receive benefits, and "stacking" of grants is allowed so needy students are not penalized for receiving a KEES award (i.e., KEES is added to need-based aid rather than replacing it).

KEY INDICATORS OF
PROGRESS TOWARD
POSTSECONDARY
REFORM

RECOMMENDATION: The staff recommends that the council approve new goals for three indicators under Question 1 (two in ACT performance and one in affordability) and one under Question 2 (college-going).

MOTION: Mr. Barger moved that the recommendation be approved. Ms. Bertelsman seconded the motion.

Dr. Whitfield explained the progress and goals for these indicators. Including these updated results, the council staff has assigned lights for 21 systemwide indicators. To date, there are 13 green lights, six yellow lights, and two red lights. Detailed information was included in the agenda book. These results show that postsecondary reform is working and identify areas where further effort is needed.

Ms. Bertelsman asked if the goals for indicators with green lights need to be higher.

Dr. Moore said that some goals have been adjusted, such as enrollment and retention. Goals for many indicators with green lights will be reassessed after the fall 2002 data is received.

VOTE: The motion passed.

COMMISSIONER OF
EDUCATION REPORT

Mr. Wilhoit reported on the activities of the Kentucky Board of Education. By January 31, the department will

submit to the federal government a state compliance plan for the No Child Left Behind legislation dealing with the release of elementary and secondary funds. This legislation will bring about changes in Kentucky, such as additional assessment (every grade will be assessed in mathematics and language), new teacher certification requirements (non-qualified teachers such as emergency certified personnel will be eliminated), and specific requirements for para-professionals (the department is talking with the universities about offering new programs to meet the needs of individuals seeking to be certified as para-professionals).

Mr. Wilhoit said there is considerable discussion about the 2003-04 budget for elementary and secondary education and the system is adjusting resources. The department will release two reports on the issue of funding in December.

Mr. Wilhoit said there have been increased discussions with the university education deans to develop higher-level professional development activities.

P-16 COUNCIL REPORT

A report on the activities of the P-16 Council was in the agenda book, including a map showing local P-16 council development in the state. Since the June P-16 Council meeting, the council has funded five additional proposals for local P-16 councils. Last year the council funded 11 local councils.

PARTNERSHIP WITH US DEPARTMENT OF LABOR AND KY JOB CORPS CENTERS

An agreement with the United States Department of Labor Job Corps will be finalized soon to provide access to adult education resources through KYVAE.org and ACT WorkKeys assessments to the seven Job Corps Centers in Kentucky. Job Corps is a free residential education and training program that helps students in Kentucky between the ages of 16 and 24 learn trade and technical skills and complete a high school diploma or equivalency.

02-04 REVISED TUITION RATES

Sherron Jackson, council interim vice president for finance, said that the council delegated tuition-setting responsibility to the institutions beginning with the 2000-02 biennium. At the same time, the council put into place a system to monitor tuition rates to ensure that postsecondary education remains affordable for all Kentuckians. Over the past three years, tuition for in-state, full-time undergraduate students has increased an average of 9.4

CEO REPORT

percent. Mr. Jackson said that, in relation to income, Kentucky postsecondary education remains relatively affordable. When compared to their benchmark institutions, all Kentucky institutions, with the exception of the University of Kentucky and Lexington Community College, are at or below the midpoint in tuition as a percent of per capita personal income.

A report on the activities of the Committee on Equal Opportunities was included in the agenda book. Mr. Barger, committee chair, said that for the last several meetings there has been excellent participation by the institutions and thanked Presidents Glasser and Bibbins for their attendance and commitment to the work of the committee. The committee is putting more structure in place as to how to look at equal opportunity and affirmative action in the Commonwealth.

Mr. Jackson said that the CEO is discussing establishing term limits for committee members and will bring a recommendation to the council. The partnership agreement is due to conclude December 31, 2002. He anticipates the U.S. Office for Civil Rights to ask the staff to provide a status report on specific pieces of the partnership agreement rather than a general status report.

IMPROVING EDUCATOR QUALITY STATE GRANT PROGRAM

RECOMMENDATION: The staff recommends that the council approve the Kentucky Improving Educator Quality State Grant Program.

MOTION: Mr. Freed moved approval of the recommendation. Ms. Bertelsman seconded the motion.

Dr. Moore said that under the No Child Left Behind Act of 2001 the council received approximately \$1 million in federal funding to provide training for teachers and principals. This program replaces the Eisenhower program, which focused primarily on mathematics and science education. In the past, grants on the average of \$60,000 were awarded to individual faculty members. The approach of this new program is to award larger grants on the average of \$300,000 that would involve partnerships among our postsecondary institutions and local school districts. The focus is on mathematics and science, reading, school leadership, and foreign language. Grant proposals are due to the council staff February 7 and

recommendations for awarding the new grants will be brought to the council at its March meeting.

VOTE: The motion passed.

Ms. Adams said that the council bylaws allow the consolidation of multiple agenda items. There was no objection to consider under one motion agenda items 14 through 20 pertaining to capital projects.

CAPITAL PROJECTS

RECOMMENDATION: The staff recommends that the council approve the Murray State University proposed financing strategy with the city of Murray to provide financing to construct a Student Recreation and Wellness Center on the Murray campus with \$10,000,000 of local bonds.

RECOMMENDATION: The staff recommends that the council approve Northern Kentucky University's request to improve the lake area of the campus with \$1,500,000 of private funds.

RECOMMENDATION: The staff recommends that the council approve Northern Kentucky University's request to enter into an agreement with the NKU Foundation to exchange land ownership.

RECOMMENDATION: The staff recommends that the council approve the University of Kentucky's lease of property to the American Cancer Society for construction of an American Cancer Society "Hope Lodge" facility with private funds.

RECOMMENDATION: The staff recommends that the council approve the University of Kentucky's request to renovate the Animal Research Services, Forage Animal Production Research Unit with \$1,767,000 of federal funds.

RECOMMENDATION: The staff recommends that the council approve the Western Kentucky University lease agreement to allow Aramark Educational Services to renovate the food service areas of Downing University Center with \$3,500,000 of private funds.

RECOMMENDATION: The staff recommends that the council approve the Kentucky Community and Technical

College System's request to contract with the city of Versailles, Kentucky, to provide office space to house its administrative staff at an annual lease cost of \$653,000 in agency funds.

MOTION: Ms. Bertelsman moved that the seven capital projects be approved. Mr. Barger seconded the motion.

VOTE: The motion passed.

COUNCIL STAFF

Dr. Moore said that a position announcement has been posted for the council's vice president for finance position. The staff plans to have a list of finalists for the new president to consider in December.

KNOWLEDGE-BASED ECONOMY ACTIVITIES

House Bill 525, enacted by the 2002 regular session of the Kentucky General Assembly, amended the Kentucky Innovation Act of 2000. The legislation appointed the council to administer the Research and Development Voucher Program, Rural Innovation Program, and Commercialization Fund Program. The act requires the council to submit an annual report on programs related to the knowledge-based economy. An executive summary of this report was included in the agenda book.

Council staff members Ron Carson, Daniel Rabuzzi, and Jennifer Marsh discussed the report. Recommendations include:

- Secure third-round funding for the Endowment Match Program (Bucks for Brains) and maintain the existing funding for the Commercialization Investment Fund programs, Innovation and Commercialization Centers, and Office for the New Economy programs.
- Formally establish the Knowledge-Based Economy Advisory Workgroup and charge it to continue to guide the implementation of the Kentucky Innovation Act of 2000.
- Adopt a long-term plan to graduate Kentucky from the federal EPSCoR program.

- Determine whether EPSCoR and the Kentucky Science and Engineering Foundation would be better served and more efficient at capturing increased federal funding if their administrations were merged.

The final report will be forwarded to the Governor, members of the General Assembly, and the Kentucky Innovation Commission. The final report also will be shared with the council members.

President Todd said he is concerned about the merger of EPSCoR and KSEF. The EPSCoR program has been an established program in the state for many years while the KSEF is a relatively new agency.

Mr. Barger asked that a labor representative be appointed to the Knowledge-Based Economy Advisory Workgroup.

The council staff suggested that a detailed presentation on the process for grant awards for House Bill 572, KSEF, and EPSCoR programs be given at the February council meeting.

AGENCY AUDIT

Ms. Adams said that the council's executive committee met the previous afternoon to review the 2001-02 agency audit prepared by the accounting firm of Potter & Company.

MOTION: Mr. Barger moved that the council receive the 2001-02 agency audit as submitted by Potter & Company and ask the staff to prepare a schedule for completing the tasks contained in the findings, comments, and suggestions and the management responses to those items. Mr. Whitehead seconded the motion.

Mr. Barger said that the agency received a clean audit. It was recommended that the staff develop an accounting procedures manual. The staff is working on the manual and it is expected to be in place by the end of this fiscal year. It was requested that staff have on hand signed memoranda of agreement for pass-through programs and that no money be allocated until the signed agreements are obtained. The travel for the senior staff was reviewed and no problems were found.

VOTE: The motion passed.

KET APPOINTMENT	Ms. Adams has reappointed Hilma Prather of Somerset as one of the council's two members to the Kentucky Educational Television Board. She will serve another four-year term expiring November 2006.
PRESIDENTIAL SEARCH	Mr. Baker reported that the presidential search committee has interviewed several people nominated for the position. The search firm is doing background checks on each of these candidates. The committee will meet November 18 to reduce the number to two or three finalists to be brought to the council in December. At that time, the finalists will meet with the council, the council staff, the Governor, legislative leadership, university presidents, and faculty. Mr. Baker said that the committee is pleased with the cadre of candidates and feels that the person selected will be a good leader for Kentucky postsecondary education.
PRICHARD COMMITTEE	Ms. Adams said that the Prichard Committee for Academic Excellence recently held a day-long summit on the status and future of postsecondary education. The committee commissioned a review of reform by Aims McGuinness of the National Center for Higher Education Management Systems. The report provided a basis for the October 15 discussion. Several university presidents participated and shared their views of reform and the role their institutions will play in advancing reform.
KYVL	Ms. Adams said she recently participated in a ceremony to launch the Kentucky Virtual Library for Kids. The Web site is designed for elementary students to provide quality library and informational resources.
NEXT MEETING	The next meeting is February 3, 2003.
ADJOURNMENT	The meeting adjourned at 10:55 a.m.

Sue Hodges Moore
Interim President

Phyllis L. Bailey
Associate, Executive Relations